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MOCAS Closeout and Conversion IPT

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MOCAS Closeout/Conversion Background

- MOCAS Statistics
- “Bucket Approach” to Contract Resolution
- Program Management Process
- Important Dates
- Your Role

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MOCAS Closeout/Conversion

DOD Reform Initiative Directive #53

- Established by the Deputy Secretary of Defense in March 2000
 1. Replace MOCAS as part of an overall plan to standardize contract and vendor pay and eliminate UMDs and NULOs.
 2. Coordinate the reconciliation, closeout, and conversion of MOCAS contracts.
 3. Assist in the transition to the Defense Procurement Payment System (DPPS).
- For the DON, ASN (RD&A) has the lead in contract closeout and conversion, with the ASN (FM&C) assisting with resolving any accounting discrepancies.

DON has over 105,800 contracts of the 318,975 in MOCAS (as of 2 January 2002)

- Active Contracts: 51,575
- Physically Complete Contracts: 54,225

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Committees

Executive Steering Committee

- Periodic meetings chaired by the Under Secretary of Defense (USD), Acquisition Technology & Logistics (AT&L) and USD Comptroller (C). Includes representatives from Military Services, DOD Agencies, Acquisition and Financial Management.

Working Group

- Bimonthly meetings of the Military Services, DLA, DFAS, the DOD Contract Management Agency (DCMA), and the DOD Contract Audit Agency (DCAA). Meetings are co-chaired by one rep from DCMA and one rep from DFAS; they serve as a team effort to keep the MOCAS retirement moving forward, and they serve as a Conversion Subgroup.

DON Working Group

Semi-annual meetings of Acquisition and Financial Management representatives from the Major Commands. February 5, 2002 was the most recent meeting.

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Total Contracts in MOCAS

The following bar graph displays the total contracts in MOCAS for the Navy, Army, Air Force, DLA, and Other from May 2000 through December 2001. Supporting data are provided in the three tables below. For screen reader use: the following table has 9 columns and 7 rows. Total contracts in MOCAS are shown for May 2000 through December 2000.

Month End	May-00	Jun-00	Jul-00	Aug-00	Sep-00	Oct-00	Nov-00	Dec-00
Navy	115,446	113,323	112,776	111,923	112,381	112,698	113,264	113,424
Army	45,379	43,683	43,351	42,771	42,990	43,366	43,449	43,308
Air Force	47,398	46,863	46,391	45,741	45,859	46,447	46,218	45,621
DLA	108,118	108,996	110,038	107,937	108,102	110,827	112,052	112,536
Other	9,787	9,703	9,473	8,898	8,650	8,564	8,530	8,483
Total Contracts	326,128	322,568	322,029	317,270	317,982	321,902	323,513	323,372

For screen reader use: the following table has 8 columns and 7 rows. Total contracts in MOCAS are shown for January 2001 through July 2001.

Month End	Jan-01	Feb-01	Mar-01	Apr-01	May-01	Jun-01	Jul-01
Navy	112,735	111,865	110,864	111,161	109,841	108,400	108,400
Army	42,607	42,643	42,087	41,382	40,027	38,175	38,600
Air Force	45,133	44,189	43,647	43,335	42,189	41,850	41,700
DLA	113,894	116,201	120,233	119,826	122,468	125,500	121,725
Other	8,327	8,266	8,221	8,062	7,896	7,800	7,800
Total Contracts	322,696	323,164	325,052	323,766	322,421	321,725	318,225

For screen reader use: the following table has 6 columns and 7 rows. Total contracts in MOCAS are shown for August 2001 through December 2001.

Month End	Aug-01	Sep-01	Oct-01	Nov-01	Dec-01
Navy	106,575	104,950	105,450	105,200	105,800
Army	37,875	37,750	38,075	38,250	38,250
Air Force	41,250	41,550	42,100	41,975	41,775
DLA	116,200	116,800	122,475	125,850	125,625
Other	7,650	7,650	7,825	7,750	7,525
Total Contracts	309,550	308,700	315,925	319,025	318,975

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DCMA/DFAS (DFAS Disbursement) Closeout Stages/Drivers

The chart below shows the DCMA/DFAS closeout stages and drivers. The five stages for the MOCAS section include

1. Active
2. Physically complete
3. Legal term
4. Payment adjustments
5. Contract closed

Stage 2, physically complete, is the major closeout focus.

1. Drivers for Stage 1, active, include delivery and acceptance.
2. Drivers for Stage 2, physically complete, include Final Rates (Proposal, Audit, and Negotiations), Final Invoice/Voucher, Final Payment, Additional Funds, Government Property, and Patent.
3. Drivers for Stage 3, legal term, include Terminations, Bankruptcy, Investigations, and Legal.
4. Drivers for Stage 4, payment adjustments, include Continued Complexity, Canceling Funds Adjustments, and Disbursement Adjustments.
5. Drivers for Stage 5, contract closed, include Close Disbursement Records/Files (PK9) and Notify Services.

MOCAS volume as compared to Navy volume for the first four stages follows:

Stage 1 MOCAS 208,989, Navy 51,575.

Stage 2 MOCAS 102,989, Navy 51,150

Stage 3 MOCAS 3,494, Navy 1,525

Stage 4 MOCAS 3,510, Navy 1,550

The Total as of January 1, 2002 MOCAS 318,982, Navy 105,800.

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Plan of Attack—"Bucket Approach" to Contract Resolution

- All MOCAS contracts will be assigned to an office of primary responsibility (OPR) such as Military Services, DFAS, DCMA, DCAA, and DLA.
- The "Bucket" represents some issue that must be resolved to close out a contract
- OPRs will resolve the outstanding issues and expedite contract closeout. The oldest contracts should be worked first. Low complexity physically complete contracts are next priority.

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DON Aged Physically Completed Contracts

The following graph shows a snapshot of the number of Navy contracts that are active by age (ranging between 6 months and 10 years). Supporting data are provided in the table below. Note: M is short for months. Data is as of December 1, 2001.

For screen reader use: the following table has 15 columns and 4 rows. Data provided is as of December 1, 2001.

Age	6M	12M	18M	24M	30M	36M	4YRS	5YRS	6YRS	7YRS	8YRS	9YRS	10YRS	TOTAL
FFP	5,390	1,137	470	316	179	167	167	104	77	67	51	37	75	8,237
Cost	4,303	5,161	3,690	3,224	2,774	2,933	4,094	1,639	933	773	464	221	279	30,488
Other	1,522	1,670	1,529	1,708	1,422	1,220	1,407	755	424	326	120	22	27	12,152

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Bucket Activity for Navy Contracts

For screen reader use: the following table has 6 columns and 29 rows.

Reason Code	Reason	Jun 01 Total	Dec 01 Total	Jun-Dec Variance	Jun-Dec % Change
Stat 84	Reconciliation of Less Complex Conversion Candidates	1,748	2,157	409	23.4%
N	Add'l Funds Required But Not Received (Sect 2)	552	498	-54	-9.8%
1	Canceled Funds - Awaiting Replacement Money (Sect 2)	139	154	15	10.8%
D	Patent/Royalty Clearance Required (Sect 2)	117	122	5	4.3%
V	Disposition of Gov't Property Pending (Sect 2)	140	118	-22	-15.7%
B	Final Acceptance Not Received (Sect 2)	71	78	7	9.9%
M	Final Indirect Rate Proposal Due (Sect 2)	41	36	-5	-12.2%
CLL	Under Investigation (Section 3)	21	18	-3	-14.3%
W	Contract Modification Pending (Sect 2)	60	16	-44	-73.3%
CIL	Contractor in Litigation (Section 3)	11	12	1	9.1%
Z	Disposition of Classified Material Pending (Sect 2)	5	10	5	100.0%
P	Reconciliation w/DFAS & Contractor (Sect 2)	6	8	2	33.3%
TERM-C	Term for Conv (Section 3)	11	8	-3	-27.3%
S	Litigation/Investigation Pending (Sect 2)	16	7	-9	-56.3%
7	Awaiting Removal of Excess Funds (Sect 2)	5	4	-1	-20.0%
BKRPT	Bankruptcy (Section 3)	5	4	-1	-20.0%
BCA	ASBCA Case (Section 3)	3	3	0	0.0%
T	Term for Default in Process (Sect 2)	1	2	1	100.0%
Q	Armed Services Board of Contract Appeals case.	3	2	-1	-33.3%
J	Disallowed Cost Pending (Sect 2)	1	1	0	0.0%
K	Final Audit of Government Property Pending (Sect 2)		1	1	0.0%
GUA	Guaranteed Warranty (Section 3)	1	1	0	0.0%
PL	Claim (Section 3)	1	0	-1	-100.0%
6	Fee Withheld (Sect 2)			0	0.0%
F	Supplemental Agreement Covering Final Price (Sect 2)	3		0	0.0%
U	Warranty Clause Action Pending (Sect 2)			0	0.0%
DEBT	Debt Deferral (Section 3)			0	0.0%
	Total Navy	2,961	3,260	299	10.1%

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Conversion Subgroup

Immediate Objective: Perform a risk/feasibility assessment of converting contracts that will not have final delivery until after MOCAS is shut down. Performing cost/benefit analysis of two alternatives:

1. No conversion; Allow MOCAS to remain viable until last contract closes.
2. Shut down MOCAS and convert remaining contracts using existing contract number.

How will the audit trail be maintained?

Will old contracts have to comply with new business rules?

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FMO Program Management

Contract Closeout and Conversion Process for STARS-HCM:

- Distribute quarterly reports to the Major Commands to assist in resolving accounting discrepancies and PDs for MOCAS contracts where the Navy is OPR
- Focus on resolving contracts with accounting problems for active and expired appropriations
 1. First priority: Physically complete that will not be converted to DPPS
 2. Second priority: Active and final delivery date after March 2004 - all to be reconciled for conversion
 3. Use discontinued research process to close out some contracts
- Major Commands will update the FMO spreadsheet reports as contracts are resolved and send them back to the FMO.

Summary Status Reporting of Contract Closeout: MISIL, MFCS, MC-SABRS.

STARS-FL and NWCF: Mechanism in process for future reporting.

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Important Dates

DOD Deadlines

- 30 August 2002. Begin using DPPS for new Navy and Marine Corps contracts. Begin MOCAS brown-out period.
- March 2004. Turn off MOCAS completely (proposed date)

Distribute the STARS-MOCAS Compare Reports at the beginning of each quarter. Next reports to be distributed after further analysis of the Navy's bucket

Executive Steering Committee, 22 March 2002

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MOCAS Closeout: Your Role

You can assist in the DRID 53 effort by:

- Managing the inflow of problem disbursements. Make resolution of problem disbursements a high priority
- Making use of contract registration and reconciliation tools. Register contracts in the Standard Contract Reconciliation Tool (SCRT) to eliminate duplicate reconciliations. Use your Responsible Contract Reconciliation Agent (RCRA) to facilitate contract closeout.
- Using discontinued research as defined in the FMR. Close out old contracts. Reference FMR Volume 3, Chapter 11, Paragraphs 1107-1108

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Closing

MOCAS Closeout and Conversion IPT

Questions?